

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS SECKAR TO INTERROGATORIES OF
THE NEWSPAPER ASSOCIATION OF AMERICA
(NAA/USPS-T26-1-2)

The United States Postal Service hereby provides responses of witness Seckar to the following interrogatories of the Newspaper Association of America: NAA/USPS-T26-1-2, filed on August 15, 1997.

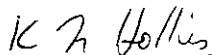
Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Kenneth N. Hollies

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August 29, 1997

RESPONSE OF U.S. POSTAL SERVICE WITNESS SECKAR
TO INTERROGATORIES OF NEWSPAPER ASSOCIATION OF AMERICA

NAA/USPS-T26-1. Please refer to page 24, lines 7-17 and page 25, lines 4-7 of your direct testimony.

a. Please explain fully the method used to separate cost pools into "proportional" and "fixed" categories and provide all supporting analyses performed by the Postal Service.

b. For each of the cost pools shown in Exhibit USPS-T-26D, please explain with respect to what specific variable(s) are the cost pools "proportional" or "fixed."

RESPONSE:

a. Please see Witness Hatfield's response to POIR No. 1, Question 7.

b. Costs are deemed proportional to the extent that they vary with different levels of presorting and/or prebarcoding. Please see Witness Hatfield's response to POIR No. 1, Question 7 for further details.

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NAA/USPS-T26-2. Please indicate the extent to which each of the following factors are responsible for the observed differences between modeled flats unit costs and total (proportional plus fixed) benchmark unit costs, and provide supporting Postal Service analyses:

- a. Uncertainty in the piece distribution cost model;
- b. Uncertainty in the bundle sorting cost model;
- c. Uncertainty in the carrier route cost model (for Periodicals and Standard Mail (A) classes); and
- d. Other (non-piece distribution, non-bundle sorting) mail processing operations. Please list the most significant other mail processing operations not included in the modeled flats unit cost, in declining order of importance.

RESPONSE:

- a-d. The extent to which factors (a) through (d) are responsible for the observed differences between modeled flats unit costs and total (proportional plus fixed) benchmark unit costs is not known.

DECLARATION

I, Paul G. Seckar, declare under penalty of perjury that the foregoing answers are true and correct to the best of my knowledge, information, and belief.

Paul G. Seckar

Date: 8/29/97

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

K N Hollies
Kenneth N. Hollies

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